VICENTE GONZALEZ 34TH DISTRICT, TEXAS

## COMMITTEE ON FINANCIAL SERVICES

SUBCOMMITTEE ON CAPITAL MARKETS
SUBCOMMITTEE ON NATIONAL SECURITY,
ILLICIT FINANCE, AND INTERNATIONAL FINANCIAL

## Congress of the United States House of Representatives Washington, DC 20515-4315

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November 20 2023

The Honorable Katherine Tai Ambassador Office of the United States Trade Representative 600 17<sup>th</sup> Street, NW Washington, DC 20508

Dear Ambassador Tai:

I write with grave concern regarding recent incidents involving U.S. gasoline exports to Mexico that undermine the United States-Mexico-Canada Agreement (USCMA).

On October 16, 2023, Mexican officials confirmed cartel gunmen forced a dozen tanker trucks to dump imported U.S. gasoline into a field at gunpoint. This incident occurred in Matamoros, Tamaulipas, Mexico, across from Brownville, Texas, a community I represent. This unprovoked attack is of great concern as it is not an isolated event.

My district is heavily impacted by incidents like these which fail to preserve the spirit of the USMCA. Trade is critical to driving economic growth not only in my district but across the country. The USMCA produced over \$1.8 trillion worth of trade in goods and services in 2022, growing Texas' gross domestic product (GDP) by \$17.6 billion and creating over 160,000 new jobs in Texas. Additionally, the U.S. exported about 1.15 million barrels of petroleum per day in 2022.

Despite USMCA regulations, imports of smuggled or stolen gasoline remain high, undermining our trade efficiency. Due to cross-border price differences and rising fuel prices, a new form of organized crime - "huachicoleo" - in Mexico is emerging. Huachicoleo is a form of theft and illicit sale of fuel. I am troubled that this practice will continue to increase and include other imported goods.

Moreover, in the latest attempt to combat contraband fuel in the country, the Government of Mexico ordered a temporary restriction on imports of dozens of refined petroleum and petrochemical products on October 23, 2023. I believe this is yet another effort to nationalize its economy and renege on its commitments in the USMCA as a means of empowering its failing state-owned petroleum company. That is why I urge you to act and ensure Mexico upholds its end of the USMCA agreement.

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The border city of Matamoros plays a pivotal role in border crossings and trade, significantly contributing to the success of the USMCA. The spread of huachicoleo stands to jeopardize our mutually beneficial relationship with Mexico.

I urge you to address this matter promptly and ensure that imports of cargo carrying petroleum and petrochemicals are allowed to resume and are protected. Thank you for your immediate attention to this issue, and I look forward to your response.

Sincerely,

Vicente Gonzalez Member of Congress

Henry Cuellar Member of Congress

Henry Lellar

Dan Crenshaw

Member of Congress